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WARNING: People Will Lose EVERYTHING, Failure to Deliver is IMMINENT!

In this discussion, Canadian Prepper is joined by Bill Holter, a prominent financial commentator and precious metals expert known for identifying systemic risks and leverage issues within global financial markets. Holter provides an analysis of the current state of gold and silver, the widening gap between paper and physical markets, and the potential for a total systemic collapse.

The Impending Failure to Deliver

The gold and silver markets have experienced significant price suppression for many years through the use of paper contracts. However, a critical turning point is approaching: a "failure to deliver" in the physical silver market. Holter notes that even in traditionally non-delivery months like January, delivery demands have reached unprecedented levels, with approximately 25 million ounces currently standing for delivery.

The COMEX and LBMA systems are facing a structural deficit where supply cannot meet demand. For years, market "smashdowns" were executed by dumping paper contracts that had no physical metal backing them. Now, investors are increasingly demanding physical delivery rather than cash settlements. If these exchanges cannot fulfill these requests, they may be forced to declare a force majeure and settle in paper, which Holter believes will signal the end of these institutions and cause silver and gold prices to explode.

The Bifurcation of Markets

A complete bifurcation is occurring between the paper market and the physical metal market. While Western paper markets like COMEX and the LBMA attempt to keep prices suppressed, physical silver is trading at significantly higher premiums in international markets such as Shanghai, Dubai, and India. These physical markets are exposing what Holter characterizes as the fraudulent pricing of the Western paper system.

The scarcity of silver is a primary driver of this trend. While gold is often viewed as the primary store of value, silver is a much smaller market. Total global silver production is roughly 850 million ounces annually, valued at approximately $65 to $70 billion—a negligible amount compared to trillion-dollar national military budgets or large corporate takeovers. Because the market is so small, even a relatively minor influx of capital can cause it to "blow up".

Industrial and Geopolitical Demand

The demand for silver is not merely an investment trend; it is driven by essential industrial and military needs. Silver is a critical component in:

1. Defense: It is used extensively in Tomahawk missiles and various defense industry applications.
2. Technology: Silver is indispensable for the development of Artificial Intelligence (AI) and data infrastructure.
3. Green Energy: Every Tesla vehicle contains several ounces of silver, and it is a core component of "Green New Deal" initiatives.

Geopolitical tensions are further straining supply. Holter points to China’s decision to restrict silver exports as a major catalyst for supply concerns. For major manufacturers like Elon Musk, the primary concern is not the price of the metal, but its actual availability for production.

The Great Taking and Systemic Risk

Beyond precious metals, Holter warns of broader systemic risks regarding how assets are held within the financial system. He references the concept of "The Great Taking," noting that legal frameworks have been altered so that individuals no longer "own" the stocks or bank deposits they believe they do.

When you deposit money in a bank, you are legally classified as a lender rather than a depositor, making you one of the lowest-priority creditors if the institution fails. Similarly, stocks held through a broker are often held for your "benefit" but remain on the broker's balance sheet, where they can be used as collateral or lent out. In a major crisis, these institutions can legally use client funds to satisfy their own senior creditors.

Protecting Wealth and Financial Autonomy

To mitigate these risks, Holter suggests several strategies for moving wealth out of the traditional financial system:

1. Physical Ownership: Investors should hold physical gold and silver rather than paper ETFs or mutual funds. Holter advises holding whatever amount of wealth you are not willing to lose in these metals.
2. Direct Registration (DRS): For those holding individual stocks, Holter recommends moving them to a Direct Registered Security (DRS) format. This removes the intermediary broker and places the shares in the owner's name via a transfer agent, eventually allowing the owner to obtain a physical stock certificate.
3. Diversified Storage: Physical metals should not be kept in a single location. Holter suggests utilizing private depositories, specifically mentioning those in North Dakota because the state is not part of the Federal Reserve system, providing a layer of protection against federal overreach.
4. Junk Silver: For practical use in a "system-down" scenario, Holter recommends "junk silver" (U.S. dimes, quarters, and half-dollars minted in 1964 or earlier). These are easily recognizable, difficult to counterfeit, and allow for smaller transactions compared to large bars or coins.

Conclusion

The current financial system is heavily reliant on confidence, which Holter believes is rapidly eroding. As the gap between physical reality and paper promises continues to widen, the "failure to deliver" in precious metals may serve as the catalyst for a much larger economic correction. By securing physical assets and reducing the number of intermediaries between themselves and their wealth, individuals may better position themselves to survive the coming volatility.

Analogy: The current financial system is like a game of musical chairs where there are a thousand people playing but only ten actual chairs. As long as the music plays, everyone feels they have a place. However, the music is slowing down, and when it stops, only those who are already holding onto their chairs—the physical metal—will have a place to sit.